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Housing Work Element McDowell County, North Carolina

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HOUSING WORK ELEMENT FOR MCDOWELL COUNTY

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HOUSING WORK ELEMENT FOR

McDOWELL COUNTY

April, 1973

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Preface

The Housing Act of 1949 established as its goal "a decent home and a suitable living environment for every American family". This objective is far from reality today. The problem of providing a quantity of standard housing sufficient to meet present and expected demands for housing is becoming increasingly greater with the passage of time. Housing and housing-related problems can be overcome through the combined efforts of government and private enterprise working in conjunction with the local citizens.

The objective of this study is to examine the quality of the existing housing stock, relate various factors which influence housing to the projected future housing needs within McDowell County, and recommend future planning activities and implementation actions which are aimed at generally improving the housing environment.

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INTRODUCTION

McDowell County is located at the eastern base of the Blue Ridge Mountains. The eastern section of the county is in the rolling Piedmont Province of the Appalachian Complex and the north and the western portions in the mountainous Blue Ridge. The highest point is Pinnacle Mountain at the western edge of the county (4,685 feet) and the lowest point is in the southeastern corner of the county at Cane Creek (980 feet).

In recent decades, manufacturing has gained increasing importance in McDowell County. Approximately sixty percent of the employed persons in the county in 1971 held jobs in the manufacturing industry.¹

McDowell County is divided into ten townships and has two incorporated towns, Marion and Old Fort. Approximately sixty-five percent of the housing units in McDowell County are located within the corporate limits of these two towns.

Approximately 49.6 percent of the housing units within McDowell County are substandard,² 17.9 percent lack some or all plumbing facilities and 10.9 percent are overcrowded.³

It is hoped that this study will provide information, which can be used to improve the living environment of the residents of McDowell County

¹ North Carolina Employment Security Commission.

² Western North Regional Planning Commission, McDowell County Land Development Plan (1968).

³ U. S. Bureau of the Census, Census of Housing: 1970, Detailed Housing Characteristics, Final Report, North Carolina.

and to ensure that all families within the county are provided a decent, safe, and sanitary dwelling regardless of income.

Measuring housing supply is the number of units available, whether occupied or vacant, in a given area at a given time.

Measures of a community's housing supply is determined by an evaluation of the nature, condition, periods per room, unit size, and cost.

TABLE 1

Measures of the rental or owner occupancy of housing units.

In 1970, 65.1 percent of the housing units in McDowell County were occupied by owners. This ownership is most common among white households in the United States. Within McDowell County, however, the rate of home ownership is nearly as prevalent among non-white households (Table 1).

TABLE 1
HOUSING UNITS BY
RACE AND TENURE OF OCCUPANCY
McDowell County

	1950	1960	Percentage Change 1950-1960	1970	Percentage Change 1960-1970
Total Housing Units	6,745	8,170	+21.1	10,213	+24.5
Owner occupied	3,064	5,175	+70.5	7,053	+36.3
White	2,633	4,960	+86.5	6,767	+36.0
Non-white	431	215	-49.9	306	-30.2
Renter occupied	3,681	2,995	-18.6	3,159	+5.5
White	2,446	2,007	-17.6	2,452	+20.0
Non-white	1,235	988	-20.2	1,017	-2.8
Vacant	300	0	-100.0	101	-66.3

Source: U. S. Bureau of the Census, *U. S. Census of Housing*
North Carolina (1950, 1960 and 1970).

I. THE SUPPLY OF HOUSING IN McDOWELL COUNTY

Housing supply refers to the number of units existing, whether occupied or vacant, in a given area at a given time.

Adequacy of a community's housing supply is determined by an evaluation of the tenure, condition, persons per room, unit size, and cost.

Tenure

Tenure refers to the rental or owner occupancy of housing units. In 1970, 68.9 percent of the housing units in McDowell County were occupied by owners. Home ownership is most common among white households in the United States. Within McDowell County, however, the rate of home ownership is nearly as prevalent among non-white households (Table 1).

TABLE 1
HOUSING UNITS BY
RACE AND TENURE OF OCCUPANCY
McDowell County

	<u>1950</u>	<u>1960</u>	Percentage Change 1950-1960	<u>1970</u>	Percentage Change 1960-1970
<u>Total Dwelling Units</u>	6,745	8,178	+21.2	10,213	+24.88
Owner occupied	3,864	5,175	+33.5	7,053	+36.29
White	3,633	4,960	+36.5	6,747	+38.04
Non-white	231	215	- 6.9	306	+42.33
Renter occupied	2,482	2,144	-13.6	2,359	+10.03
White	2,350	2,007	-14.6	2,252	+12.21
Non-white	132	137	+ 3.8	101	-26.28
Vacant	356	859	+141.3	728	-15.25

Source: U. S. Bureau of the Census, U. S. Census of Housing, North Carolina (1950, 1960 and 1970).

Quality of Housing

One of the most important characteristics of the supply of housing is quality. Of primary concern is substandard housing. In order to determine the extent to which substandard housing is a problem in McDowell County, it is necessary to define housing conditions generally considered substandard, and determine the number of substandard houses and the degree of their deterioration.

Exterior structural conditions in McDowell County were surveyed by the Western North Carolina Regional Planning Commission in 1968 rating all structures, using three classifications.

Standard.-- Structures which have no defects or only slight defects which are correctable during regular maintenance.

Deteriorated.-- Structures having defects which require major repair to prevent further deterioration.

Dilapidated.-- Structures which are unfit and unsafe for human occupancy. Such housing has one or more critical defects which are beyond economical repair. The term substandard, as used in this study encompasses housing of deteriorated and dilapidated condition.

Within McDowell County, 49.6 percent of the residential structures were substandard, 39.5 percent were rated as deteriorated, and 10.1 were dilapidated.

The largest concentrations of substandard housing are found within and adjacent to the incorporated areas of Marion and Old Fort. Areas of substandard housing include: Westerman Road, Cemetary Street, Catawba River Road, S. R. 117, Delaware Avenue, and the Red Town Area, in the

Old Fort area; and Tate Street, Tunnel Road (Stumpton), Hudgins Street, Morehead Street, and Fifth, Sixth and Seventh Streets in the Marion area.

Table 2 indicates the percentage distribution by condition of residential structures in each of the municipalities and the unincorporated area of the county.

Housing becomes substandard for many reasons. Poor original construction and lack of proper maintenance are two major factors. However, much more is involved than just poor construction and maintenance. Substandard dwellings are a problem in and of themselves, but more than this, they are symptoms of a much broader problem. The environment in which housing is located is vital to its existence. Such factors as incompatible land use, lack of community facilities, land speculation, poor subdivision development, and the inadequate income of families lead to deterioration.

The loss of creative, imaginative individuals who have been stifled in the development of their will or ability to participate as fully productive members of society because of substandard living conditions is incalculable. Housing which is uninviting, unsanitary or indeed, unsafe imposes economic and social costs which sap community welfare and unity. Such conditions serve not only to depress the present generation but also to perpetuate poverty.

TABLE 2
STRUCTURAL CONDITIONS OF
HOUSING UNITS^a BY PERCENT
McDOWELL COUNTY

Condition	McDowell County ^b	Marion	Old Fort	McDowell County ^c
Standard	48.8%	67.5%	56.6%	50.4%
Deteriorated	40.1	25.3	37.0	39.5
Dilapidated	11.1	9.2	19.6	10.1

^a Excludes mobile homes.

^b Excludes municipalities.

^c Includes municipalities

Crowding

The number of persons per room provides a measure of the utilization of housing. Units with more than one person per room are considered crowded. It is generally accepted that 1.51 or more persons per room represents severe crowding.

Approximately .02 percent of the dwelling units in McDowell County were classified as severely overcrowded in 1970. A total of 1,023 housing units (10.87 percent) had an occupancy rate of over 1.01 persons per room. This compared with 10.18 percent for the state as a whole.⁴

Source: North Carolina Division of Community Services, Housing Element Update for Marion, North Carolina (May, 1972). Western North Carolina Regional Planning Commission, McDowell County Land Development Plan (1968).

⁴ U. S. Bureau of the Census, Census of Housing: 1970, Detailed Housing Characteristics, Final Report. North Carolina.

The ill effects of overcrowding have long been established; however, the psychological effects related to such an environment are not nearly so well documented nor understood. It appears these effects may be far more detrimental to the individual than those of a physical nature. A perception of one's self that leads to pessimism and passivity; stress to which the individual cannot adapt; poor health and a state of dissatisfaction; pleasure in company but not in solitude; cynicism about people and organizations; difficulty in household management and child rearing; and external relationships rather than deep internal or family relationships are examples of some of the maladjustments related to overcrowded conditions within the home.

Unit Size

The importance of size of houses or apartments lies primarily in its use as a measure of the adequacy of dwelling units to satisfy the requirements of families of various sizes and composition and as a basis for projecting future unit size requirements in an area. The median number of rooms is 5.0 for housing units in McDowell County. Table 3 gives a breakdown by the number of dwelling units of various sizes.

TABLE 3
UNIT SIZE
McDOWELL COUNTY, 1970

Rooms	Number of Units
1 room	43
2 rooms	157

TABLE 3--Continued

Rooms	Number of Units
3 rooms	640
4 rooms	2,655
5 rooms	3,316
6 rooms	2,148
7 rooms	672
8 rooms or more	509

Source: U. S. Bureau of the Census, Census of Housing: 1970, Detailed Housing Characteristics, Final Report, North Carolina.

Value and Rent

The median value of owner-occupied dwelling units within McDowell County was \$9,400 in 1970. A total of 17.6 percent of the owner-occupied dwelling units were in the low-value bracket of less than \$5,000 and 9.5 percent were in the high-value brackets of \$20,000 or more (see Table 4).

The value of housing has been increasing significantly in recent years. In 1950, the median value of owner-occupied units in the county was \$3,235.

Part of this increase in value has been caused by the higher cost of many new units built during the last two decades. The high price of new housing has also encouraged the price of existing units on the market to rise.

The median monthly rent within the study area in 1970 was \$43. Approximately 39.4 percent of the housing units rented for between \$40 and \$100. Over a third were in the low-rental brackets of less than \$40 and 4.6 percent were in the high-rental bracket of \$100 or more. (see Table 4).

TABLE 4
BREAKDOWN OF CURRENT
HOUSEHOLDS BY VALUE AND RENT
McDOWELL COUNTY, 1970

		Number of Units
<hr/>		
Owner occupied		
Value		
Under \$5,000		908
\$5,000 - \$9,999		1,885
\$10,000 - \$14,999		1,139
\$15,000 - \$19,999		733
\$20,000 - \$24,999		281
\$25,000 - \$34,999		118
\$35,000 or more		93
Median	\$9,400	
TOTAL		5,157
<hr/>		
Renter occupied		
Contract Rent		
Less than \$30		402
\$30 - \$39		358
\$40 - \$59		495
\$60 - \$79		248
\$80 - \$99		73
\$100 - \$149		95
\$150 or more		
No cash rent		399
Median	\$43	
TOTAL		2,070
<hr/>		

Source: U. S. Bureau of the Census: Census of Housing: 1970, Detailed Housing Characteristics, Final Report, North Carolina.

TABLE 5
HOUSING INDEX AND RATIO
McDOWELL COUNTY, 1970

Township	Housing Units	^a Low Rent Index	^b Low Value Index	^c Rent-Value Ratio
Brackett	43		92.8%	.042
Crooked Creek	543	95.3%	56.5	.980
Dysartsville	306	92.8	55.1	.909
Glenwood	323	97.4	58.6	.737
Higgins	477	94.3	46.4	.872
Marion	5,019	87.8	52.9	1.002
Montford Cove	616	93.5	51.1	1.029
Nebo	954	98.9	46.9	.784
North Cove	496	95.6	61.8	.719
Old Fort	1,436	92.8	50.9	.942
Total	10,213	90.0	52.3	.973

^a The percentage of rental housing units with a monthly contract rent (does not include utilities) of less than \$80.

^b The percentage of owner-occupied housing with a value less than \$10,000.

^c The ratio which average monthly contract rent bears to average housing value, adjusted so that the value will be near 1.000 for the State of North Carolina. A value of this ratio above 1.000 indicates that rents are higher in relation to housing value for the entire state; a value below 1.000 indicates the opposite.

Source: U. S. Bureau of the Census: Census of Housing: 1970, Detailed Housing Characteristics, Final Report, North Carolina.

Mobile Homes

In recent years, the mobile home industry has become the fastest growing segment of the housing market. At present, approximately 7.6 percent of all housing units in McDowell County are mobile homes. By 1980, 1,078 mobile homes are expected to be used as housing units in the county (see Table 6). If properly inspected as required by the North Carolina General Statutes and regulated in regard to lot size, foundation, water and sewer, mobile homes can provide a safe and decent place to live which can be obtained at a lower cost than conventional housing.

TABLE 6
UTILIZATION OF MOBILE HOMES IN McDOWELL COUNTY, 1970 - 1980

Number of Mobile Homes 1970	718
Percent of 1970 Total Inventory	7.6%
Estimated Number of Mobile Homes 1980	1078
Percent of 1980 Total Inventory	9.5%

Source: Division of Community Services.

II. DEMAND FOR HOUSING IN McDOWELL COUNTY

The concept of demand for future housing units implies the willingness and ability of households to pay for housing desired, that is, what people are likely to do within the framework of present and changing incomes, tastes, prices, rents, construction costs, and mortgage terms. Housing market demand is considered to be made up of three distinct components:

1. Households.-- This component of housing market demand includes the housing units needed to accommodate households newly formed, or who leave units in which more than one family unit resided or who come to the housing market area from other places.
2. Replacement.-- In estimating housing market demand, it may be assumed that each unit withdrawn from the market will be replaced at some point during the projection period, though not necessarily at the same rent or price level.
3. Vacancies.-- The overall rate must be considered in the estimation of housing market potential. Estimates of vacant units are developed for the study projection period, based on population and household projections and past experience and future trends in construction.

The total of these segments of demand is the number of units which must be built over the projection period in order to satisfy the housing requirements of the population as of the end of that period.

Population and Household Growth

During the past decade, the population of McDowell County has increased by 13.08 percent (see Table 7). The population is expected to reach 33,500 by 1980. Household growth has been increasing at a much higher rate. Table 7 indicates the number of households formed since 1960 and the estimated number that will exist in 1980. The number of households has increased by approximately 22.10 percent since 1960. This indicates a trend toward the formation of smaller households. It also creates a need for additional housing units.

The number of elderly households has been steadily increasing. It is expected that they will total 2404 by 1980. As shown in Table 8, elderly households will comprise 21.10 percent of the households in McDowell County by the end of the decade.

TABLE 7
POPULATION GROWTH
McDOWELL COUNTY, 1950 - 1980

	Total Population	Migration	Natural Increase
1950	25,720		
1960	26,742	- 16.0%	20.0%
1970	30,648	1.28	13.08
1980 ^a	33,500		9.3

a

Estimated by the Division of Community Services.

Source: North Carolina Department of Administration, Profile of North Carolina Counties, Third Edition (January, 1973).

TABLE 8
HOUSEHOLD GROWTH AND
NUMBER OF ELDERLY HOUSEHOLD
McDOWELL COUNTY, 1970 - 1980

	Number of Households	Percent Change	Numbers of Households With Head Over 64	Percent of Total
1970	9,412	22.10	1,801	19.14
1980	11,391	30.67	2,404	21.10

Source: Calculated from: Howard J. Sumka and Michael A. Stegman, The Housing Outlook in North Carolina: Projections to 1980 (June, 1972).
U. S. Bureau of the Census, U. S. Census of Housing: 1970, Detailed Housing Characteristics, Final Report, North Carolina.

Employment and Income

In 1971, total employment was 11,570 in McDowell County. Table 8 indicates recent employment statistics. Table 10 gives a breakdown of family income. The median family income was \$7281 in 1970. Expected 1980 median family income in 1970 dollars for Region C (McDowell, Cleveland, Polk, Rutherford) is \$7368⁵. Table 11 shows the projected distribution of households in 1980 by income and number of persons for the county.

⁵ Howard J. Sumka and Michael A. Stegman, The Housing Outlook in North Carolina: Projections to 1980 (June, 1972).

TABLE 9
EMPLOYMENT
McDOWELL COUNTY
1963 - 1971

	Total Employment	Rate of Unemployment	Avg. Wkly. Earnings Per Worker
1963	9,300	7.5%	\$ 68.14
1964	9,930	5.2	72.64
1965	10,260	3.9	76.50
1966	10,740	3.2	81.40
1967	10,830	3.8	82.44
1968	10,940	3.2	89.65
1969	11,420	2.6	96.63
1970	11,400	4.4	97.55
1971	11,570	3.6	106.16

Source: N. C. Department of Administration, Profile North Carolina Counties, 3d. ed. (January, 1973).

TABLE 10
FAMILY INCOME
McDOWELL COUNTY, 1970

Family Income	Number of Families by Family Income	Percentage in Each Family Income Bracket
Under \$1,000	211	2.55%
1,000 - 1,999	490	5.92
2,000 - 2,999	417	5.04
3,000 - 3,999	542	6.55
4,000 - 4,999	688	8.32
5,000 - 5,999	843	10.19
6,000 - 6,999	705	8.52
7,000 - 7,999	852	10.30
8,000 - 8,999	687	8.30
9,000 - 9,999	650	7.86
10,000 - 11,999	1055	12.76
12,000 - 14,999	707	8.55
15,000 - 24,999	340	4.11
25,000 - 49,999	84	1.02
50,000 or more		

Source: U. S. Bureau of Census, General Social and Economic Characteristics, 1970.

TABLE 11
ESTIMATED 1980 DISTRIBUTION OF
HOUSEHOLDS BY INCOME AND NUMBER OF PERSONS
McDOWELL COUNTY

INCOME
(1970 DOLLARS)

Household Size	Less than 2000	2000- 3999	4000- 5999	6000- 7999	8000- 9999	10000- 14999	15000+	Total
1	459	318	209	104	45	23	11	1169
2	462	626	732	704	402	214	119	3259
3	144	268	379	525	609	376	117	2418
4	74	174	250	328	509	593	155	2083
5	43	101	145	181	284	347	91	1192
6	<u>165</u>	<u>228</u>	<u>285</u>	<u>290</u>	<u>171</u>	<u>91</u>	<u>40</u>	<u>1270</u>
TOTAL	1347	1715	2000	2132	2020	1644	533	11391

Source: Calculated from: Howard J. Sumka and Michael A. Stegman,
The Housing Outlook in North Carolina: Projections to
1980 (June, 1972).

Housing Demand

The quantity and quality of housing which will be demanded according to tenure by the households in McDowell County at the end of the study period is shown in Tables 12 and 13.

TABLE 12
ESTIMATED 1980 RENTER HOUSEHOLDS
WITH ADEQUATE INCOMES BY
MONTHLY SHELTER COST^a AND NUMBER
OF PERSONS (RENTER DEMAND)
McDOWELL COUNTY

Household	MONTHLY COST (1970 DOLLARS)							Total
	Less than 30	30- 49	50- 69	70- 89	90- 119	120- 149	150+	
1	13.	65.	11.	17.	7.	2.	3.	118.
2	0.	74.	81.	95.	59.	20.	32.	361.
3	0.	3.	38.	76.	119.	40.	51.	327.
4	0.	0.	14.	46.	97.	49.	88.	294.
5	0.	0.	1.	21.	57.	44.	59.	182.
6	<u>0.</u>	<u>0.</u>	<u>0.</u>	<u>5.</u>	<u>27.</u>	<u>27.</u>	<u>19.</u>	<u>78.</u>
TOTAL	13.	142.	145.	260.	366.	182.	252.	1,360.

^a Contract rent plus utilities.

Source: Calculated from Howard J. Sumka and Michael A. Stegman,
The Housing Outlook in North Carolina: Projections
to 1980 (June, 1972).

TABLE 13
ESTIMATED 1980 OWNER HOUSEHOLDS WITH ADEQUATE INCOMES
BY HOUSING VALUE AND NUMBER OF PERSONS McDOWELL COUNTY (OWNER DEMAND)
HOUSING VALUE
(1970 DOLLARS)

Household Size	Less than 5000	5000- 7999	8000- 10999	11000- 14999	15000- 19999	20000- 24999	25000+	Total
1	151.	120.	187.	94.	41.	11.	21.	625.
2	86.	206.	451.	615.	362.	96.	197.	2013.
3	3.	88.	188.	320.	529.	180.	262.	1570.
4	0.	33.	106.	284.	294.	374.	286.	1377.
5	0.	3.	50.	190.	85.	254.	101.	683.
6	<u>0.</u>	<u>0.</u>	<u>13.</u>	<u>112.</u>	<u>14.</u>	<u>57.</u>	<u>44.</u>	<u>240.</u>
TOTAL	240.	450.	995.	1615.	1325.	872.	811.	6308.

Source: Calculated from Howard J. Sumka and Michael A. Stegman, The Housing Outlook in North Carolina: Projections to 1980 (June, 1972).

Housing Need

An estimate of housing need is designed to indicate the housing requirements of families, based on a minimum standard, without regard to the price of dwellings.

Housing need is a result of the following factors: (1) the number of substandard units; (2) the number of households living in crowded conditions; and (3) the number of households paying an excessive proportion of income for housing.

The great majority of households falling within this category are low- and moderate- income, elderly and minority group household groups which generally experience specific financial problems. Table 14 summarizes the need projections for 1980.

TABLE 14
ESTIMATED 1980 HOUSEHOLDS WITH
INADEQUATE INCOMES BY
MAXIMUM MONTHLY SHELTER COST AND
NUMBER OF PERSONS

(HOUSING NEED)
McDOWELL COUNTY

Household Size	Less than 30	30- 49	50- 69	70- 89	90- 119	120+	Total
1	414.	13.	0.	0.	0.	0.	427.
2	462.	380.	0.	0.	0.	0.	842.
3	144.	258.	60.	60.	0.	0.	522.
4	74.	174.	78.	81.	3.	0.	410.
5	43.	101.	68.	92.	24.	0.	328.
6	<u>165.</u>	<u>228.</u>	<u>143.</u>	<u>269.</u>	<u>141.</u>	<u>14.</u>	<u>960.</u>
TOTAL	1302.	1154.	349.	502.	168.	14.	3489.

Source: Calculated from Howard J. Sumka and Michael A. Stegman, The Housing Outlook in North Carolina: Projections to 1980 (June, 1972).

Total Housing Requirements

The combined number of units arising from demand and need factors constitute the total housing requirements for a given period. The gross housing demand is shown in Table 15.

Taken into consideration are removal of dilapidated structures and removal of units from the market by choice, or natural causes, and an allowance for vacancies as well as demand and need factors. Of primary interest are the 2,004 additional units which will be required to meet the gross housing demand in 1980.

TABLE 15
GROSS HOUSING DEMAND ESTIMATED
1980
McDOWELL COUNTY

Total Currently Available Housing Units		10,213
Currently Dilapidated Units	224	
Additional Loss	<u>317</u>	
	541	-541
End of Period Standard Unit Vacancy Requirement		<u>-285</u>
Carry-over From Existing Stock Remaining		9,387
Projected Housing Unit Requirements, 1980		11,391
Required New Units		2,004

III. FACTORS INHIBITING OPERATION OF THE HOUSING MARKET

It is evident that the operations have not enabled every household to obtain a decent dwelling in a suitable environment. A great many factors interfere with free operation of the housing market and thereby contribute to housing problems, particularly for low-and-moderate-income households.

Restrictive Building and Housing Codes

Building codes may hamper efforts toward innovation in housing construction methods and materials, and thus contribute to the continuing housing shortage and increasing construction costs. Housing codes which are enforced without provision of adequate subsidies to aid low-income families while progressive in their intent are regressive in their effect. By the same token, these can be two of the best methods by which a community can assure good quality new construction and properly maintained dwellings. However, if these two instruments are to be used as tools for building a better community, continuous evaluation and updating must be conducted.

Zoning Enforcement

Zoning has long been recognized as a powerful tool for the protection of residential neighborhood and the creation of harmonious well-planned communities. It is important to avoid any negative uses of zoning to control housing development. It is important to avoid fragmented administration of zoning and to develop an appeals process to insure compliance with county-wide goals and policies.

Obstructions Within the Tax Structure

The present burden of the property tax falls most heavily on lower income groups. In addition, the property tax, in effect, penalizes the property owners for maintaining or improving their property. It is recognized that local governments need funds to finance their activities, but heavy taxation of housing runs counter to the goal of upgrading the community's housing.

Failure of the Filtering Process

Though filtering is commonly regarded as a means for families to upgrade their accommodations without increasing the proportion of income spent for housing, this is seldom the case.

The National Commission on Urban Problems made the following analysis of this problem:

Misconceptions frequently obscure the problem of supplying decent housing, such as the notion that housing low-income families will take care of itself by the trickle-down or filter-down principle. This has it that as people move up the economic ladder, they leave behind them dwelling units which people moving up the ladder behind them can occupy. At the end of that chain of transferring residences, the poor in theory are provided with an inventory of available, lowest cost housing. Undeniably the trickle-down theory does work for part of the population, but it falls short of supplying enough housing for low-income families principally because: (1) the availability of the lowest cost housing is not always where the poor can get to it, and because (2) so much of the cheapest available housing is substandard, that is, lacking indoor plumbing and hot water, badly deteriorated, or overcrowded. In all conscience, housing that may have been suitable for one family cannot be counted as suitable when three or four families are sardined into it. Virtually, all slum housing is filter-down housing - which is proof enough of its inadequacy.⁶

⁶ "Report of the National Committee on Urban Problems to the Congress and President of the United States", p. 11.

Land Speculation

In older residential areas land speculation not only raises the cost of land for new housing, but also contributes to the deterioration of existing dwellings. Although an actual need may exist for more commercial or industrial property in certain areas, speculation tends to bring about excessive deterioration in the total environment of a neighborhood, thereby necessitating total rehabilitation or renewal.

Once the process of speculation has begun, only decisive action can prevent total disintegration of a neighborhood. Nothing is inevitable about deterioration of older areas. The very fact that deteriorated neighborhoods exist is simply an indication of apathy on the part of local officials who have stood by passively and allowed the areas to decline. Such inactivity makes holding property in declining neighborhoods continuously profitable, especially if the owner is able to influence their future redevelopment for commercial or industrial purposes. While holding such property and awaiting future developments to increase the value of an investment, the owner may collect rent on his property, thereby providing a continuing long term cash income from his investment. He may also receive economic benefit by allowing any structures on the property to decline and subtracting this depreciation from his annual income, thus reducing his federal income tax payments. Finally, any profits realized from the sale of his property are taxable as long term capital gains and as such are subject to much less tax. All these advantages mean that holding substandard housing in declining neighborhoods is profitable and will remain so unless government moves to make such activity a poor financial risk.

Public Facilities and Services

The availability of both public and private facilities and services is of considerable importance especially for the lower income, elderly and partially disabled. Less likely to own a car, such households find themselves to be much more dependent upon their immediate environment for employment, shopping, and various other activities.

The calibre of public facilities and services which are available is also of major importance. To the extent that such services as police, fire, education, garbage collection, recreation, and many other public services are provided in a manner attuned to local needs, the adequacy of the neighborhood environment will be greatly enhanced.

Impact of Inflation

A significant constraint upon the free flow of the market is caused by the housing cost themselves (including land, financing, materials, and labor) which have been rising during the past several years. A growing number of households are therefore being forced to remain in their present unit or pay a higher proportion of income on housing.

In the case of conventional single family housing units, approximately 61 percent of the construction cost is determined before the builder enters the picture. Thus, the areas in which the builder may actually influence the final cost of housing are relatively small.

Lack of Mortgage Financing

Because of poor credit, lack of savings for a down payment, job insecurity and a general lack of financial stability, lending institutions are reluctant to provide capital to low-income families.

PUBLIC EFFORTS

The McDowell County Housing Authority was organized in March, 1970. The housing authority applied for low-rent public housing units in 1970 but funds were not available at that time. Approval was received for 75 units of turnkey housing but the housing authority has been unable to continue the project due to the current impoundment of federal funds. Turnkey housing is a federal program whereby private housing developers with appropriate sites, or site options submit proposals to the local housing authority to build low-rent public housing in accordance with their own plans and specifications. The local authority contracts to purchase the completed housing for use as low-rent housing for low-income families with federal annual contributions to be made to the housing.

V. RECOMMENDATIONS FOR IMPROVING THE HOUSING SITUATION

The housing delivery system is essentially a private system. The production, exchange and management of the county's housing are largely in private hands and are influenced by many factors beyond those in which local government plays a part. Thus, the improvement of housing conditions and the production of necessary low and moderate income housing to meet the county's needs will necessitate the enlistment of the housing industry and the many community groups that are interested in housing.

On the other hand, virtually every area of local government responsibility - for utilities, education, welfare, health, protection, and so forth - has implications for housing development and availability. Policies relating directly to land development, property taxation, utility extension, and zoning may have the most obvious relevance to housing but they are only part of the total range of local governmental relationships to housing that are involved.

The primary objectives of a housing program are:

1. To insure that each resident regardless of income is provided a decent, safe, and sanitary dwelling; and
2. To improve the overall living environment for all residents in the county.

The following recommendations are suggested to help McDowell County achieve these objectives:

Eliminate Incompatible Land Use

Incompatible land uses are uses of the land which, for a variety of reasons are mutually antagonistic toward one another. Such uses are

incapable of harmonious association or blending into a stable condition. Thus, areas where numerous incompatible land uses are found may properly be described as "zones of conflict".

Large numbers of substandard dwellings appear in areas where conflicting land usage is a major problem.

Regulate Subdivision Development

Many of the problems of poor subdivision development are at least in part bound up in the outmoded developmental pattern of the county. Residential development has moved from an era of single family dwelling construction into larger scale residential developments. Today, virtually entire residential neighborhoods may be created by single developments. Considering the impact such developments have on a community, the need for regulation is greater now than ever before. However, a distinct line must be drawn between regulation and control if variety and high quality are to be achieved in new residential developments. Insuring maximum use of innovative land use techniques requires regulations with design flexibility; regulations which steer land development in desirable directions without placing it in a straight jacket of control. That is to say, regulation should be employed only to designate the broad framework development should follow, not to dictate specific details of design.

Conserve Sound Structures and Assure Quality Construction

The newer housing in McDowell County is basically sound, however, precautions should be taken to assure quality construction and proper maintenance of older structures which are more likely to become sub-

standard through neglect. Structural improvement campaigns should be continually encouraged among owners of sound housing. Also, enforcement of the North Carolina Building Code and adoption of a minimum housing code, subdivision regulations, and zoning will insure that all new dwellings are properly constructed, free from blighting influences, and adequately served by facilities.

Rehabilitate Deteriorated Structures

Rehabilitation of deteriorated dwellings is the single greatest need of the housing program. There are 4,034 deteriorated residential structures in McDowell County.

Substantial rehabilitation is a term defined as follows: "A property will be considered substantially rehabilitated when its condition is improved from deteriorating or substandard to good condition".⁷

Scattered as well as concentrated zones of deterioration must be treated. This means that a program for the rehabilitation of deteriorated residential structures must be both broad and extremely flexible. Adoption of a housing code accompanied by proper inspection and enforcement, will provide the basic instrument for rehabilitation of deteriorated structures. However, there must be a constant awareness that without careful administration, this policy can become a tremendous burden on the very families whose housing it is intended to improve.

⁷ U. S. Department of Housing and Urban Development, Circular HPMC-FHA 4010. 11 (December 30, 1971).

Remove Dilapidated Structures

Within the county, there are a number of dilapidated dwellings unfit for human habitation. If sufficient replacement housing is made available, strict enforcement of a housing code can remove these structures from the market. Until relocation housing is made available to those families residing in dilapidated structures, the code should be applied to units as they become vacant.

Other Redevelopment Actions

Any program of renewal aimed at rehabilitating individual dwellings without rehabilitating the environment in which they exist is doomed to failure from the start. New and rehabilitated dwellings will not long remain in standard condition unless those environmental factors which contributed to their original decline are soon removed. This means that the renewal program must encompass more than rehabilitation of dwellings. Noxious or incompatible uses of the land which detrimentally affect the living environment must be removed. Adequate water and sewer facilities, well planned and constructed streets and roads, good schools, and nearby shopping and recreation areas are a must for building stable residential neighborhoods. In essence, what this means is that for residential renewal to have any lasting effect, it must be broad enough in scope and comprehensive enough in its approach to eliminate many of the ills which caused the original decline of the area. A program which falls short of

eliminating these environmental problems is at best only piecemeal in its approach and as such cannot possibly achieve long-range renewal. Thus, renewal is no trivial matter to be undertaken in a half-hearted manner using piecemeal methods. To be truly successful, such an approach must be comprehensive in its attack on the problem and as such will be expensive; however, the alternative is continued decline.

Providing Dwellings All Families Can Afford

Housing currently being constructed by private enterprise is fulfilling the demand created by those with sufficient financial resources, and poor families generally have not had the resources necessary to enter this market without some form of assistance; furthermore, government has not moved fast enough to provide this assistance. Thus, families in McDowell County are divided into two groups - one to be served by the private market and the other to be served by someone else unnamed.

Some families could be housed at their own cost and with a minimum of governmental assistance assuming that their housing requirements could be brought into some kind of balance with their income. That is, to say, if builders could be influenced to construct more low-cost housing, then a certain amount of the problem would be eliminated by bringing the market to these families. However, for the great majority of low-income families, this is no solution. The private market simply cannot be brought to them no matter how drastic the price reductions. Thus, the only plausible long-range solution for housing these families appears to be finding methods of bringing them into the market. To accomplish this, subsidies of varying types and amounts must be made available for these

families. The Federal Government has been the primary source of such subsidies. Currently, the Federal Administration has placed an 18-month freeze on nearly all new approvals for subsidized housing in order to take a lengthy look at the subsidized housing programs before making any decision on replacement of existing programs. Most of the programs affected are administered by the Department of Housing and Urban Development although some programs administered by the Farmers Home Administration in the Department of Agriculture also were subjected to the holding action. It appears that the basic Federal Housing Administration program of mortgage insurance has not been effected.

The following was taken from the fifth of a series of messages by President Nixon on the state of the union.

...there has been mounting evidence of basic defects in some of our housing programs. It is now clear that all too frequently the needy have not been the primary beneficiaries of these programs; that the programs have been riddled with inequities, and that the cost for each unit of subsidized housing produced under these programs has been too high.

In short, we shall be making far more progress than we have been, and we should now move to place our housing policies on a much firmer foundation.

That is why we suspended new activity under federal subsidized-housing programs effective January 5 of this year.

.....

One of my highest domestic priorities this year will be the development of new policies that will provide aid to genuinely needy families and eliminate waste.

A major housing study is now under way within the Government, under the direction of my Counselor for Community Development. Within the next six months, I intend to submit to the Congress my policy recommendations in this field, based upon the results of that study.⁸

A review of housing policy is currently underway at the Department of Housing and Urban Development. The Secretary invites interested groups and individuals to submit views on existing policies, and programs and suggestions for improvement. Communications should be addressed to: Assistant Secretary for Policy Development and Research, Housing Policy Review Team, HUD, Washington, D. C. 20410.

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State of the Union - Part 5 of a Series, as quoted in "New Directions for Committees - Nixon's Blueprint", as sent to Congress on March 8, 1973, U. S. News and World Report, LXXIV (March 19, 1973), 89 - 90.

SUMMARY

It is painfully evident that many obstructions stand in the way of improved housing considering past activity and expected responses of private industry to household growth. A substantial need for standard housing which all families can afford will still exist in 1980. In the absence of significant public sector efforts, there will be an unmet need for 1,000 new dwelling units for low-income families. A total of 3,489 households will need some form of financial assistance in order to satisfy their housing need. If the housing situation of low-income families is to be improved, there can be no substitute for genuine opportunity. Positive action must be taken by local governments to provide that opportunity.

ENVIRONMENTAL CONSIDERATIONS

Pursuant to the requirements and guidelines of the National Environmental Protection Act, the Council on Environmental Quality, the U. S. Department of Housing and Urban Development, and the State Environmental Policy Act, the following is a summary of environmental considerations regarding the recommendations in this housing study.

1. Abstract.-- The quality of the existing housing stock within McDowell County is examined and various factors which influence housing are related to the projected future housing needs. Recommendations are made which, if implemented, would improve the living environment of the residents of the county.
2. Environmental Impact.-- The recommendations, if implemented, will have a favorable impact on the environment.
3. Adverse Environmental Effects.-- The recommendations, if implemented, will not create any adverse environmental impact.
4. Alternative.-- The alternative is to ignore the lack of an adequate quantity of standard housing to meet the needs of the residents of the county. This would lead to the continued decline of the housing in the county and all the adverse physical and social consequences which result from poor housing.
5. The Relationship Between Short Term Uses of Man's Environment and Maintenance of Long Term Productivity.-- These recommendations, if implemented, will serve to protect the environmental quality of the county. In addition, the illumination

of the adverse effects resulting from poor housing will, over the long run, increase the productivity of man's environment.

6. Mitigation Measures to Minimize Impact.-- It is recommended that a housing code be strictly enforced only if suitable relocation housing is made available. It is also recommended that any measures to improve the housing situation which are implemented should avoid imposing any hardship on those whom it is designed to help.
7. Irreversible Commitments of Resources.-- The recommendations contained in this report do not involve the commitment of resources.
8. Federal, State and Local Environmental Controls. -- All existing state and federal and county environmental controls currently being enforced will be applicable to the planning area.

